afford facilities for the small investors of the rural public and this may considerably improve our ways and means programme.

FINANCIAL POSITION

The Government will have a revenue surplus of Rs. 148·83 lakhs at the end of 1121 and a Revenue Reserve Fund of Rs. 73·50 lakhs making up a total of Rs. 222·33 lakhs of which Rs. 166·92 lakhs will be in Capital Outlay leaving a liquid surplus of Rs. 55·41 lakhs. By a careful husbanding of the resources and rigorous control over expenditure the State was able to move forward building up enviable surpluses from year to year.

CRANGANUR

Cranganur was having deficit budgets for a long time past, but the fortuitous accidents of war have enabled the principali y to have a surplus of Rs. 0·37 lakh in the past year. According to the revised estimates we anticipate a surplus of Rs. 0·13 lakh against a deficit of Rs. 0·31 lakh budgetted for, the revised estimates of receipt and expenditure being proposed at Rs. 3·59 lakhs and Rs. 3·46 lakhs against the respective budget estimates of Rs. 2·90 lakhs and Rs. 3·21 lakhs.

For 1121, we budget for a record revenue of Rs. 4·05 lakhs and programme for an expenditure of Rs. 3·60 lakhs leaving a surplus of Rs. 0·45 lakh. As in the case of the State, the larger revenue is mainly the outcome of the higher bids at auction sales under Excise and the new duties on Betel nut, etc. The expenditure also has likewise increased considerably due to the grant of dearness allowance, the enhanced expenditure for "Works" owing to the phenomenal rise in the cost of labour and materials, etc. We hope that some means will be found to solve the problem of recurring deficits in Cranganur even before the present boom disappears.

CONCLUSION

Sir, I have done. I have attempted to place before you the financial position of the State in as brief and clear a manner as possible. We have been by a process of husbanding all our resources without in any way stinting reasonable items of expenditure, able to build up large reserves on which we can fall for post-war expenditure. Our financial position is on the whole in an unassailably sound condition. But I am apprehensive that conditions may soon change causing great fall in our revenues without a corresponding reduction in expenditure. The Industrial expansion for self sufficiency aimed at by all parts of India and the world may affect adversely our Customs revenue. Income-tax may also be adversely affected and the Excess Profits Tax amounting to over Rs. 22 lakhs may completely disappear with the termination of the War. The other items of revenue particularly the Excise revenue may ere long show a downward tendency. While revenues may thus fall considerably, expenditure may not go down to any such great extent. While expenditure due directly to War conditions may disappear, more expenditure on nation-building services like Agriculture, Panchayats, Medical, Public Health, Public Works and foremost on Education is likely to emerge and these cannot be stinted by any progressive Government.

Though it is hazardous to prophesy how far the fall in revenue will be offset by the fall in expenditure the possibilities are that the fall in revenue will be considerable and it may be advisable to take stock of the situation and adopt suitable measures in time to see that the essential development services are not starved.

22. "17—Law and Justice—B—Civil Jusice—Temporary Establishment High Court"
23. " Do. T. A. High Court"
24. " Do. —Office Expenses—High Court"
25. " Do. —T. A. District Courts"
26. " Do. —Miscellaneous—District Courts"
27. " Do. —Office Expenses—District Courts"
28. " Do. —T. A. Munsiffs' Courts"
29. " Do. —Office Expen es—Munisiffs' Courts"
30. " Do. —Service labels—Munsiffs' Courts"

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